



# On Simmel's Financial Aristocrat: from *The Philosophy of Money* to its Contemporary Actualisation

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Volume 26, numéro 1, 2022

URI : <https://id.erudit.org/iderudit/1091333ar>

DOI : <https://doi.org/10.7202/1091333ar>

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Éditeur(s)

Georg Simmel Gesellschaft

ISSN

1616-2552 (imprimé)

2512-1022 (numérique)

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Citer cet article

Coccozza, D. (2022). On Simmel's Financial Aristocrat: from *The Philosophy of Money* to its Contemporary Actualisation. *Simmel Studies*, 26(1), 81–106.  
<https://doi.org/10.7202/1091333ar>

Résumé de l'article

*Despite Simmel's idea of a secondary qualitative significance of money, the paradigmatic figure of the "financial aristocrat" (Geldaristokrat), owner of a great amount of money, is conditioned by the external reality, the technical intellectualisation and the quantitative reduction of life contents. The problematic nature of such an expression lies in the fact that Simmel, like Nietzsche, sees a strong opposition between money culture (Geldkultur) and the aristocratic ideal (Vornehmheitsideal). However, such an expression seems rather fitting to the contemporary phenomenon of the emergency of cryptocurrencies, that can be considered as the actualisation of Simmel's "perfect money". Thus, it is hypothesised an aristocratic-cosmopolitan consideration of the miners as guarantors of perfectly desubstantialised money where the connection between money and technology comes to a hybridisation. Starting from these considerations and taking into account the importance of the financial aristocrat in Simmel's framework, a phenomenological observation of the XXI century Geldkultur could be put forward.*

DONATO COCOZZA

## *On Simmel's Financial Aristocrat: from The Philosophy of Money to its Contemporary Actualisation*

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Abstract. *Despite Simmel's idea of a secondary qualitative significance of money, the paradigmatic figure of the "financial aristocrat" (Geldaristokrat), owner of a great amount of money, is conditioned by the external reality, the technical intellectualisation and the quantitative reduction of life contents. The problematic nature of such an expression lies in the fact that Simmel, like Nietzsche, sees a strong opposition between money culture (Geldkultur) and the aristocratic ideal (Vornehmheitsideal). However, such an expression seems rather fitting to the contemporary phenomenon of the emergency of cryptocurrencies, that can be considered as the actualisation of Simmel's "perfect money". Thus, it is hypothesised an aristocratic-cosmopolitan consideration of the miners as guarantors of perfectly desubstantialised money where the connection between money and technology comes to a hybridisation. Starting from these considerations and taking into account the importance of the financial aristocrat in Simmel's framework, a phenomenological observation of the XXI century Geldkultur could be put forward.*

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### **Issues of the Geldaristokrat figure in The Philosophy of Money**

In *The Philosophy of Money*, the nature and features of money are not only dealt with in order to outline a new economic theory, but rather for their consequences in modern and contemporary practical life. These consequences range from the emergence of money as purpose of practical life, its depersonalising potential, the quantitative consideration of life-contents, the pre-eminence of technology, up to the increasing reciprocity in interpersonal relations, to the individual atomisation and the rise of new

professions and psychological figures. Even though a traditional Hegelian ἦθος cannot be recognised anymore, nonetheless Simmel gives his readers a kaleidoscope of certain moral tendencies and customs referred to some of the most iconic individuals belonging to the *Geldkultur* (Eng. “money culture”) of his age. Among these *Lebensformen* are to be found, for example, the blasé, the cynical, the poor, the stranger, the prostitute, the metropolitan dweller, the cosmopolitan, the avaricious: small shards of the money culture mosaic that was phenomenologically observed in the Early 20th century.

This article is aimed at analysing a not so discussed figure, yet to my mind a highly significant one: the so called *Geldaristokrat*, “financial aristocrat” in the English translation (Simmel, 2004 [1900, 1907]: 220)<sup>1</sup>, whose name and definition stand out as the most problematic among the figures described in *The Philosophy of Money*. A clarification of this appellative is needed, in that it could be perceived as an oxymoron: Simmel shared Nietzsche’s idea of a radical historical and conceptual opposition between *Vornehmheitsideal* and *Geldkultur*<sup>2</sup>. According to Dodd (2014: 136-139), Nietzsche’s influence on Simmel is clear throughout *The Philosophy of Money* (despite him being explicitly quoted only four times)<sup>3</sup>. An interesting example demonstrating the influence of Nietzsche’s aristocratic radicalism (Brandes, 1995) over Simmel is the excerpt where he mentions that “the ancient aristocracies of Egypt and India detested maritime trade and considered it to be incompatible with the purity of the castes” (Simmel, 2004 [1900,

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<sup>1</sup> Philosophie des Geldes, 218, translated in the English version as „financial aristocrat”. *The Philosophy of Money*, 220.

<sup>2</sup> Philosophie des Geldes, see the paragraph “Das Vornehmheitsideal und das Geld”. For a more specific discussion, see also the paragraph “Die Moral der Vornehmheit” in Simmel, 1907b.

<sup>3</sup> Dodd also addresses the issue of the Vornehmheit and translates it with “excellence” (Dodd, 2014: 137).

1907]: 393). Their exclusiveness and isolation express a kind of instinctive and spatial repulsion towards the ocean, a metaphorical *Tauschmittel*:

Like money, the ocean is a mediator, it is the geographical version of the means of exchange. In itself it is completely characterless and therefore, just like money, it is utilizable for the interaction of the most diversified things. Ocean traffic and money transactions are historically very close and the reserve and rigid exclusiveness of the aristocracy has to fear a wearing away and levelling from both phenomena. (ibid)

While traditional aristocracy is rooted in the landed property, namely an earthly environment, the culture of money's typical settings are the metropolis and the ocean, so that the historical and conceptual opposition is geographically embodied in this evocative spatial distance. It seems therefore useful to further develop and explain the hybrid figure of the "financial aristocrat", that appears, especially in the German compound word *Geldaristokrat*, to be a weird combination of two incompatible terms.

Before turning to this terminological allusion, it should be underlined that Simmel refers to two radically different moral postures, also representing two different sociological constellations: on the one hand the aristocracy, that is the historical noble class, and on the other hand a new one, that can be defined as "distinction of money"<sup>4</sup>. My proposal is therefore to unmistakably employ the two different translations - aristocracy and distinction – to draw

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<sup>4</sup> A terminological consideration: in the Italian translation, the expression *ideale della distinzione* is used to refer to the aristocratic values. That is confusing from a terminological perspective, as though the noble class and the distinct individuals of money were the same moral posture. Analogously, the English version presents the expression "ideal of distinction". Nevertheless, drawing attention to the original German text, the evocative analogies to be found between the two postures cannot obscure the deep differences existing between the "aristocracy" à la Nietzsche and what I call for clarity purposes "distinction of money", the latter being defined in the English translation "financial aristocrat".

attention to them being different postures in spite of the allusive and rather interesting similarities. The expression “financial aristocrat” is used by Simmel to define the figure I propose to call “distinct individual of money”, so as to avoid misunderstandings<sup>5</sup>. And yet, why does Simmel employ such a hybrid expression – in the original text *Geldaristokrat* – that mingles two so semantically opposed concepts? The expression “financial aristocrat” occurs in the paragraph “*The difference between the same amount of money as part of a large and of a small fortune*” (Simmel, 2004 [1900, 1907]: 219-221), that is part of the chapter “*Money in the sequence of purposes*”. This figure is defined as the individual that does not have to consider how much things cost thanks to the large amount of money he owns. Because of that, for him there is no gap between a desire and its satisfaction<sup>6</sup>. Unlike the majority of common people participating in the monetary economy, he has gained the immunity from that feeling of sacrifice that characterise every disbursement, and also the additional advantage of being allowed to be contemptuous of money. The financial aristocrat can instantly enjoy any commodity of the money culture, thus abolishing *de facto* - and only for himself - the subject-object distance, that often strongly affects every modern individual.

His privilege depends on a transformation of the original significance of money, whose nature primarily was that of being the objective and quantitative measure of value. According to Simmel, once exceeded a certain quantitative threshold, the money one gains can acquire a second qualitative significance. This second

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<sup>5</sup> From here on I will refer to Simmel's “financial aristocrat” as “distinct individual of money”.

<sup>6</sup> “For the majority of people the question of ‘How much?’ stands between a desire and its satisfaction. It implies a certain materialisation of things that does not exist for the real financial aristocrat. Whoever owns money beyond a certain level thereby gains the additional advantage of being allowed to be contemptuous of it. The way of life that does not have to consider the money value of things has an extraordinary aesthetic charm”. (Simmel, 2004 [1900, 1907]: 220).

significance, that is conceivable in the human praxis and not in the nature of money, only partially solves the paradoxicality of the “distinct individual of money”’s aristocratism. Thus, the privilege of not having to consider the money value of things and of being contemptuous of money, like an aristocrat *à la Nietzsche*, depends on the owning of money – that is the utmost monetary value – and on the junctures of the monetary economy in a kind of circular reasoning. Such logical fallacy can be articulated as follows:

1) according to the quoted excerpt, it exists an aristocratism of money, consisting in the chance of being contemptuous of money itself;

2) the “substance” of this aristocratism is nothing but a certain amount of money that is gained and hoarded as a possession. For this reason, Simmel’s aristocratism relies on a particular interpretation and use of money that the individual can freely develop and experience;

3) nevertheless, the same money that is hoarded as a possession, if considered as an object itself, undergoes at the same time phenomena – such as the inflation<sup>7</sup> or economic sanctions<sup>8</sup>– that makes the value of such amount of money not exclusively dependent on the individual praxis, but also on both the own nature of money and the totality of uses and exchanges carried out by all individuals operating in the monetary economy.

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<sup>7</sup> Simmel’s idea that owning money is preferable to owning any other kind of commodity has its ground in the greater freedom of choice it ensures. However this idea seems to postulate a kind of deflation on the background. Indeed, it is difficult to imagine a period of inflation where owning money is still so preferable.

<sup>8</sup> Lately another phenomenon with a huge media impact has shown how the mere possession of a large sum of money is not enough to ensure any independence. This is for example the case of many Russian capitalists who, due to the economic sanctions imposed on them in some Western countries as a consequence of the war in Ukraine, have been legally deprived of the availability and usability of their prerogatives. Sometimes from primarily political causes, i.e. causes concerning the level of inter-subjective acknowledgment of the value of money, the very validity of the acquired distinction is called into question.

Therefore, the hypothesis of an emerging qualitative significance – or even a new aristocratism – for single fortunate individuals does not erase the quantitative and homogenising processes primarily triggered by money. In fact, they deeply affect the condition of the “distinct individual of money”, that can only superficially be mistaken for an entirely autonomous condition. The inescapable background of its existence and the “substance” of its status points rather at an underlying and founding heteronomy. This is better understood when looking at how the crucial question of acknowledgment shapes up in the two postures previously discussed. As opposed to the aristocrat *à la Nietzsche*, who acknowledges in himself his own criterion to the measure of value and evaluate on this basis the external reality and objects, the distinct individual of money finds his evaluating criterion in the money-object, namely in the objective abstraction of external reality. This individual is essentially only a container – or, if anything, an amplifier – of the power of money, that is the pure form of exchangeability<sup>9</sup>. The practice of exchange implies a reference to objectivity and to a kind of intersubjective normativity – generally *Unter Gleichen* - hence incompatible to the aristocratic mind, as highlighted by Simmel's idea, influenced by Nietzsche, that self-willed aristocratic individuals disdain trade (Simmel, 2004 [1900, 1907]: 95) and are marked by an unconcern for the recognition of their value. The real aristocrat would not need the objective domain nor the intersubjectivity if not as places where his life and activities manifest themselves. On the contrary, Simmel's anthropological definition of “exchanging animal” implies that the individuals belonging to the *Geldkultur*, included the distinct individual of money, turn to a different kind of recognition and to other criteria

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<sup>9</sup> The exchangeability is such an important concept in Simmel's *The Philosophie of money*. Drawing upon it, Simmel develops his anthropological definition of human being as the exchanging animal, and therefore the objective animal (Simmel, 2004 [1900, 1907]: 291).

for the measure of value. The practice of exchangeability, brought to paroxysm in the contemporary *Geldkultur*, spread reciprocity in interpersonal relations and a technical-objective *Weltanschauung* that even the distinct individual cannot ignore.

Bearing in mind Simmel's idea that the sense of individuality can be bigger than the individual itself (Simmel, 2018: 847-873), the difference between the two figures should be further emphasised for strictly sociological reasons, too. On the one hand, the traditional aristocrat perceived his individuality as related to the caste he belonged to: all his customs were a hereditary acquisition in order to identify himself with the social circle that surrounded and predetermined him. On the other hand, the distinct individual of money builds his individuality by moving away and emancipating from his originally nearest social circle, thus losing the bond of community and instead identifying more and more with broader social groups<sup>10</sup>. While the starting act of the *ἄριστοι*'s posture is a kind of plural self-acknowledgment, as in the Nietzschean formula "wir Vornehmen, wir Guten, wir Schönen, wir Glücklichen!"<sup>11</sup>, the distinct individual of money is basically an "I", a first person singular, a single ego. Perceiving himself as part of an "us", of a narrow social circle with the same intensity as the real aristocrat is for him far more complicated. My lexical choice of using the word "distinction" addresses the need to underline this singularity and can

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<sup>10</sup> That is why the growth of individuals' prerogatives and rights in the monetary economy is directly proportional to the expansion of cosmopolitanism. For a further discussion on the sense of individuality, see Simmel, 2018: 847-873.

<sup>11</sup> See Nietzsche, 1984, in particular the First Dissertation, paragraph 10. There it is found the difference between the *Ressentiment*'s posture, belonging to the *Skolaven-Moral*, and the aristocratic posture. It is interesting to interpret the posture of the financial aristocrat also within this Nietzschean framework. Indeed, Nietzsche is a recurrent reference in Simmel's thought. Although the nobleman is called upon to disciplinedly actualise the objective ideal of aristocracy in his personal life, he always conceives the sense of individuality in reference to his own narrow circle. For a further discussion see Simmel, 2018: 873-905 and Simmel, 1907b.



be etymologically traced back to a multifaceted “punctuality”. The word “distinction” is etymologically linked to the Latin verb *distinguo* not only meaning “separate, divide”, but also “punctuate, separate through punctuation”, thus akin to the Greek verb *στιζω* (*stizō*), meaning “punctuate, mark”, with a shade of meaning linked to “punctuality”<sup>12</sup>. The distinct individual, like a geometric point, represents the minimum sociological unit in which the sense of individuality is exhausted and tries to emancipate himself through the owning of a huge amount of money from a calculating objectivity surrounding and influencing him on all sides.

The expression “financial aristocrat”, that is the attempt to acknowledge a certain noble dignity to the apical posture of the *Geldkultur*, implies a kind of enthusiasm – on behalf of Simmel – about money’s potential, for example the expansion of the individual chances and rights encouraged by the widening of the social group. That has led him to postulate not only the existence of a quantitative individualism, but also a qualitative one, hence the emergence of a huge strengthening of the individual domain. In the matter in question, especially in some excerpts of *The Philosophy of Money*, the author claims money – because of his featureless nature - to be the power that most allows the owning individual to fully imprint his style into the external reality. While the possession of objects, like for example the land or a horse, bound the landlord or the knight in the traditional social models so that they could be immediately recognised as such, on the contrary in the money culture this traditional mutual dependence between “being” and “having” is broken and dissolved. According to Simmel’s idea of

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<sup>12</sup> For an etymological discussion, see Castiglioni-Mariotti and Montanari. The distinct individual’s punctuality also encompasses an aesthetic-religious significance that distinction can take on, as the power to aesthetically restore, on a point in time, the prelapsarian state preceding the insurgence of dualism. Only when the financial aristocrat, on a point in time, enjoys a commodity belonging to the *Geldkultur*, does he abolish the typically modern distance between subject and object, between a desire and its satisfaction.

“possession as activity” and the peculiarity of the “possession of money”, the traditional correspondence between ontology and praxis can be broken. So, the individual owning money is freed from any conditioning that specific natures or features of any other objects could exercise on him. In this way he gains the freedom to use his wealth as he wishes. However, this idea of “possession as activity” – in a transitive way rather than intransitively as in a passive state – does not just imply the strengthening of the subject. In fact, the subtended “transitivity” of this idea represents not only the acquisitive enthusiasm of the modern distinct individual – a subject in more philosophical terms – but comes also back as a boomerang with the same intensity in the form of disillusionment due to the discovery of the pre-eminence of a kind of objectivity, that even though impersonal and devoid of significance, can nevertheless cage the distinct individual. In this respect, Simmel observes a certain metropolitan unhappiness and the dominion of the objective culture of objects over the subjective culture of individuals. This observation led him to harshly disapprove of the over-enthusiasts of technology, that is the phenomenological manifestation of this dominion. Maybe because of this the German word *Herrschaft*, belonging to the semantic field of the historical aristocracy, is evocatively and perhaps ironically the title of the paragraph where the author describes the pre-eminence of technology in the *Geldkultur*, whose price is a widespread suffocation of personality, in spite of the abovementioned strengthening of the individual domain (Simmel, 2004 [1900, 1907]: 486-491)<sup>13</sup>.

As usual, Simmel does not support any thesis in a dogmatic or unambiguous way; on the contrary, their most authentic meaning can often be understood only by admitting a certain constitutive duplicity. However, rather than being content with a kind of scepticism or interpretative bipolarism, reading *The Philosophy of Money* becomes increasingly interesting when it comes to

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<sup>13</sup> German original *Die Herrschaft der Technik*.

conceptually make order among the most problematic figures and the most paradoxical tendencies that the author evocatively conceptualises.

To sum up, even though a few strong similarities can be found between the “financial aristocrat” and the real aristocrat, the former can only be considered as an asymptotic and always imperfect approximation to the aristocratic ideal. Moving past the analysis of their features, the most striking difference emerges from the observation of their postures towards the external reality: the real aristocrat evaluates the world starting from a self-referring gaze, he recognises himself inside his own narrow circle and then, spontaneously, turns to the external reality; on the other hand, the financial aristocrat recognises himself, or better creates his own “distinction” starting from the objective reality and only then turns his back to it by looking reactively at himself<sup>14</sup>.

Even when considering the broader context of Simmel's use of the expression “financial aristocrat”, that is in his discussion of how money can generate an “unearned increment” (Simmel, 2004 [1900, 1907]: 217-221) in a variety of forms, an irreducible distance between the two postures still exists. Even though a figure such as a landowner does experience an unearned increment via rents, I argue that the question of the financial aristocrat does not end with the landowner. Although there undoubtedly is an unearned increment in the land-based wealth, this figure carries a strong reference to a certain cosmic-social order and to a *Weltanschauung* that has been swept away by the development of the *Geldkultur*, the latter being basically a financial-metropolitan and maritime-commercial phenomenon.

Additionally, I would rest on the development of the *Geldkultur* to propose a historical consideration: among the richest people on

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<sup>14</sup> For a discussion on the possible reactive nature of the financial aristocrat's moral, see Nietzsche, 1984, especially the First Dissertation.

earth profiting from unearned increment, how many of them are (primarily) landowners?<sup>15</sup> In our contemporary society, that takes many steps further from the one analysed by Simmel, it appears even more evident how the attitude of not having to worry about money, the unearned increment, is much more likely to be found in the typical spheres of financial capitalism than among large landowners. The nexus between unearned money and land-based wealth today, although perhaps not quite in Simmel's time, has become highly anachronistic and misleading.

The considerations outlined in this first section refer to the specific posture of the “financial aristocrat” and cannot automatically be generalised to all figures described in *The Philosophy of Money*. However, not only does the “financial aristocrat” reveal a kind of aporia in Simmel's conceptualisation, but he also – and most importantly – can be interpreted as a paradigmatic model for all individuals participating in the monetary economy. One is not born “financial aristocrat” by birth right, hereditary law or by any other hyperuranic innatism. His status is rather the outcome of a practical acquisition (Aristotle), a kind of *habitus*<sup>16</sup>, which can be accomplished by earning money, acquisition that can theoretically be carried out by any actor in the monetary economy. Therefore, the analysis of this specific condition (distinction) potentially concerns any contemporary individual living in Simmel's *Geldkultur*,

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<sup>15</sup> The list of the world's billionaires on Forbes, updated in 2022, show that the current owners of the largest amounts of money are hardly ever connected to the land-based wealth, but are rather related for the most part to the fields of Technology and Finance & Investments: <https://www.forbes.com/billionaires/>.

<sup>16</sup> The notion of *habitus* appears here to be very pertinent as it etymologically recalls the increasing importance of having over being. Indeed, the whole analysis of the possession of money, and therefore of the financial aristocrat's posture, fits semantically into the macro-question of "having". For a discussion on the theme of *habitus*, see Sloterdijk, 2010 and Agamben, 2011. Furthermore, for a linguistic consideration of Simmel's relationship between being and having, see Benveniste, 1971. The complexity of this last comparison cannot be addressed here and should therefore be dealt with elsewhere. For a broader discussion on the sociological concept of *habitus*, see also Bourdieu, 1984.

and can further be useful to reconstruct a certain common *Weltanschauung* acting as background for the different, modern figures inhabiting the *Geldkultur*.

### **A contemporary actualisation of the *Geldaristokrat***

The *Geldaristokrat* question does not entirely end with an outline of its features with reference to Simmel's text. Even more interesting would be relating it to the present, XXI-century *Geldkultur*, that appears to be for some crucial reasons as an evolution of the one observed by Simmel. In our contemporary world, a few of his theses are to be seen and analysed, such as the desubstantialisation of money and the strong connection between money and technical intellectualisation, as further proof of the fruitfulness of Simmel's conceptualisation. These theses could be said to be fulfilled in our contemporary world, where they emerge in an even more sophisticated and evolved shape.

For this reason, one may wonder in which contemporary figure the features of the "financial aristocrat", that Simmel described referring to his age, are recognizable. A renewed phenomenological observation of whom the definition of the present "financial aristocrat" may embody should take into account his fundamental features as well as the tendencies that the author had already recognised in his *Geldkultur*. The prominent, most important feature of distinction is apparently money as an object that can be owned, recognised in the present article as the element of which the distinction is made.

The first question to address is therefore to observe the current state of money referring to Simmel's theses on the nature of money<sup>17</sup>. In our contemporary world, the conclusion of a historical-

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<sup>17</sup> In Simmel's *Geldtheorie*, one can discern both the influence of Menger, who emphasises the spontaneous form of exchangeability between contracting parties, and that of Knapp (Barber, 2015), who instead emphasises the need for a state

economic process that Simmel had recognised (here without ambiguity) can be observed and defined as the desubstantialisation of money. According to the author, the economic history would correspond to a gradual transition towards the functional character of money, that is its most authentic character (Simmel, 2004 [1900, 1907]: 167-203, specifically 171). This transition is accomplished through a gradual abandon of a more primitive idea of the so-called money-substance, whose trust was based on the substantial, intrinsic value of its metallic material. The process of desubstantialisation has already started to accelerate with the modern development of the *Geldkultur*, where a functional money clearly emerges, namely a money with a mutually recognised nominal value that is always higher than the actual value of the metallic material it is made of. In this money-function, trust is not motivated by a material and intrinsic quality of money, but increasingly coincides extrinsically with trust in the collective institution that holds the coinage, since it acts as a guarantor for keeping the promise that money represents. As a general rule, in every socio-economic model that Simmel takes as examples, the coinage prerogative and its related warranty has always been held by a sovereign entity as well as by an aristocratic one, as is the case with the Greek priestly caste that acted as a guarantor for the coins of the ancient polis through the use of religious symbols (Simmel, 2004 [1900, 1907]: 187), or with the medieval princes or the sovereigns in a mercantilist system<sup>18</sup>. The general trend observed by Simmel is a

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legal entity as guarantor of the promise in which money consists. In particular, according to Simmel the guarantor has historically always been a figure belonging to the noble class, each time in charge of monetary policy. See Knapp, 1905, Menger, 1892 and Brandl, 2014: 7. For a further discussion, see also Waizbort, 2020 where the author precisely underlines the affinities between Knapp and Simmel's *Geldtheorie*. On the opinion of the Historical school of economics over Simmel's theory of money, see Schmoller, 1901. On the authors who instead highlighted Menger's influence over Simmel, see Voza, 2003 and Cavalli-Perucchi in Simmel, 2013.

<sup>18</sup> The financial aristocrat has no coinage prerogative, but is merely owner of a large capital.

liquefaction of the solidity of money as a substance: that is, the gradual transition, albeit with a fluctuating trend, from economic systems based on the traditional stability of value guaranteed by a more or less marked substantiality of the various metallist monetary systems to increasingly fluid economic systems, in which a currency with a desubstantialised intrinsic value circulates faster – and that happens also because of this process. As for the aforementioned spatial opposition between the solidity of the land and the oceanic space, it finds here a correspondence in the conceptual opposition between the solidity of *Gold* on the one hand and the growing fluidity of *Geld*.

With desubstantialisation, trade increasingly develops and the volume of the monetary economy intensifies accordingly, in that a currency with a lower intrinsic value is more convenient and practical, for it can be more easily exchanged (Simmel, 2004 [1900, 1907]: 170 gives the example of Netherlands growing commercial exchanges in the modern age as opposed to the Spanish system, which remained anchored to the idea of money as substance). Thus, desubstantialisation appears to be not only a multiplier of trade but also a driving force for the processes of democratisation and increased interpersonal reciprocity that characterises modernity<sup>19</sup>. In Simmel's time, however, although he was already observing the development of financial capitalism, a perfectly desubstantialised

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<sup>19</sup> On a more strictly philosophical level, it is interesting to consider the wide appeal of Simmel's theme of desubstantialisation, which is evoked, although with very different intentions and judgements, e.g. in Kahler's thought (1920) or in Heidegger's *Holzwege* (1950), especially in the essays "Die Zeit des Weltbildes" (1938) and "Wozu Dichter?" (1946). In Heidegger, as opposed to a certain freedom of analysis found in Simmel, the expansion of the monetary economy and desubstantialisation, in other words the expansion of the so-called merchant thinking, is seen as a reason for degradation, as the dissolution of the traditional universe where everything clearly had its own rank as well as its intrinsic value. More specifically, in the essay "Wozu Dichter?" Heidegger criticises the merchant thinking through the interpretation of a few poems written by Rilke, 1923.

currency *stricto sensu* was not yet born. Between the end of the 20th century and during the first decades of the 21st century a new kind of currency with these features, the so-called cryptocurrencies, emerged, which therefore seem to be the most rigorous realisation of Simmel's pre-theorised perfect money (Chainiyom, Giordano, 2019)<sup>20</sup>. Since even the use of paper money disappears, the only substantial residue of intrinsicity left in these currencies is the set of digital information that constitutes them, the bit, unknown to most people because they are hidden by cryptography.

Moreover, in cryptocurrencies the fiduciary character of money, which was already growing in the early modern phases of the desubstantialisation that Simmel had observed, emerges as its most relevant, if not unique, character. On the other hand, and quite unprecedentedly, cryptocurrency seems theoretically an attempt to overcome the need for a figure that acts as a guarantor (Auerbach), traditionally and previously embodied by the various aristocratic castes, up to the most recent central banks. In cryptocurrencies, however, the need for the role of guarantor does not actually disappear, because its function of warranty, minting and control still exists, but it is handled through the collegial management of blockchain technology, by the community of technical computer

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<sup>20</sup> The authors of this essay have been the first ones to ever discuss the possibility, building upon *The Philosophy of Money*, of interpreting cryptocurrencies as Simmel's theorisation of "perfect money". The present paper shares their overall thesis.

On a completely different level from the thesis put forward in this article, Dodd (2014: 317-330) interprets the notion of "perfect money" as related to the utopia of a "perfect society".

Other authors as well mention Simmel with reference to financial technologies, for example Coeckelbergh, DuPont, Reijers 2018, specifically to the definition of money as "the purest example of the tool". However, the desubstantialisation of money is not explicitly mentioned.



scientists or miners who, in stark contrast to traditional methods, mostly act anonymously<sup>21</sup>.

The idea that the “pre-eminence of technology” (Simmel, 2004 [1900, 1907]: 486-490) is the outcome of, or at least linked to, the extension of the *Geldkultur* undergoes a conceptual radicalisation when it comes to cryptocurrencies: this is one of the main points that demand to reconsider Simmel's thought with relation to such a present issue. What, in Simmel's conceptual framework, was a meaningful nexus of co-implication between money and technology (Simmel, 1995: 39)<sup>22</sup> seems to radicalise in the 21st century, because cryptocurrencies can be interpreted as the conceptual hybridisation of money and technology. A cryptocurrency such as bitcoin, for example, can be understood both as a new form of “financial technology” and, much better according to Simmel's framework, as a form of “technological money”. In any case, the relationship between these two modern powers, money and technology, is exalted in their fusion, that is the practical realisation of their conceptual hybridisation.

The insight of outlining from cryptocurrencies - understood as a new and more perfect form of money - a possible new kind of “distinction”, a figure whose main element is his possessed money, finds a further *raison d'être* in that they carry an implicit and even stronger reference to technology. While in Simmel's time and in *The Philosophy of Money* technology already characterised the metropolis as its typical background, having developed along with the monetary economy, it is in the 21st century that an even complete conceptual

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<sup>21</sup> After all, anonymity is also the most famous feature of the developer of bitcoin, one of the most widely used cryptocurrencies, who is only known by the pseudonym Satoshi Nakamoto. See Popper 2015.

<sup>22</sup> The connection between “monetary economy” and the intellectualistic disposition of the soul is presented, leaving a room for doubt, as a co-implication: see Simmel, 1995: 39. However, in the framework of *The Philosophy of Money*, money appears to be the hub on which technology itself has to be interpreted.

hybridisation of the two terms is perfectly realised in the world of cryptocurrencies. Rather than the mere possession of money, as in the case observed by Simmel, the crucial factor here seems to be the minting of the cryptocurrency through mining. Indeed, in this activity carried out by miners, the minting and the acquisition of technological money often take place simultaneously: these anonymous individuals devote themselves to mining, committing their time, know-how, human capital and economic resources, with the aim of making a profit, since their work, if it produces the desired outcomes, is rewarded in a fraction of the same cryptocurrencies they have minted<sup>23</sup>.

Additionally, the figure of the miner seems to go beyond other decisive limits of *The Philosophy of Money's* "financial aristocrat", that is why I described it above as a miserable and only asymptotic imitation of the aristocratic prerogatives. Thus, even the limitations that emerged from the strictly sociological analysis of the financial aristocrat no longer exist in the consideration of the miners as a new form of money aristocratism. As opposed to the figure described by Simmel in his time, whose value depended on external and public mechanisms of acknowledgement, miners seem to reproduce in a more aristocratic-like and effective way the traditional aristocratic prerogative of coinage and control. More appropriately than with the possession of the "financial aristocrat", it is with mining, namely with a minting that is immediately aimed at the possession of technological money, that miners appear to be the contemporary epigones of e.g. the Greek priestly castes of the ancient polis. Similarly, while Greek priests minted money for the city according to a political-religious code, validating themselves through the

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<sup>23</sup> In proportion to the amount of work carried out by miners, new virtual currencies such as bitcoins are issued. The coinage takes place therefore contemporary to the managing of transactions. This proportional mechanism serves to prevent an otherwise likely hyperinflation of the cryptocurrency. For an overview on bitcoins see "I bitcoin spiegati bene", in *Il Post*, 2017. For a further introduction to Bitcoin and their features as money in relation to Simmel and the economic theory, see Butler, 2021, especially 6-12.

symbolic use of the city's gods, miners are the first investors of trust in Nakamoto's cryptographic code, which can be interpreted as a kind of modern *Deus absconditus*. It is only based on this trust that the enormous waste of energy that mining requires is justifiable. To be more specific, the sociological objection raised in this article against the figure described by Simmel (i.e. the financial aristocrat) seems not to make sense with respect to miners, since they clearly constitute instead an IT-technical community, thus being sociologically speaking much more similar to the plural aristocratic circles<sup>24</sup>. The observation of their figure leads therefore to maintain, and to do so sounds not quite so forced, that we are witnessing, - albeit in an unprecedented and non-traditional way - the emergence of a new "aristocratic" community: unprecedented because its members are not joined together by virtue of sharing the same nature, but through the possession of IT-technological skills and by the carrying out an activity, whose main reason arises from the trust placed in Nakamoto's particular (religious) 'message'<sup>25</sup>. As a consequence, the illuministic-quantitative-

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<sup>24</sup> One could place the issue of a possible exploitation of some miners, who spend their time without knowing if they will be compensated for that, therefore not possibly fitting into an aristocratic posture. Actually it should be remembered that in Nietzsche's thought, that Simmel resumes, not only did princes and kings belong to the noble class, but also the priestly caste. Additionally, what brings together each member of the noble class is also a certain inclination towards sacrifice, that could lead the aristocratic individual to feel indifference against himself as opposed to the *Letzter Mensch* (last man), comfortably benefitting from technical developments and commodities. As an example of aristocratic sacrifices, see Simmel, 1907b and 2018: 875-877. This annotation is not intended to legitimise the possible exploitation of the miners, that is yet to be demonstrated, but rather clarify how this consideration does not constitute an objection against their "new aristocratism".

<sup>25</sup> The interpretative hypothesis that considers cryptocurrencies as a possible and innovative 'religiosity' may constitute the specific object for further research. If we want to better define miners in this context, they could be interpreted as a new priestly caste, like the newly formed clergy composed of the 'technical souls'

cosmopolitan individualism – of which Simmel considers Stoicism as a forerunner of a tendency that was to explode in the XVIII century – takes on with miners a new and more specific version: the feature that universally can join individuals is no longer a universal natural ratio or a generic logos, but rather a specific IT-technical skill, that is clearly not the preserve of anyone but that is also in principle acquirable and therefore exercisable by all<sup>26</sup>.

However, as in the *Geldkultur* described by Simmel, at the heart of the theory of cryptocurrency lies a similar cosmopolitanism, actually an even more radical one: the very use of cryptocurrencies challenges the necessity of the state as a guarantor (Dodd, 2015;

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who are sensitive and devoted to the call of Satoshi Nakamoto's algorithm. This interpretation would point to a possible religious consideration of technological money itself. Freely reinterpreting the parasitic relationship between capitalism and Christianity, a further interpretation could be put forward, understanding Nakamoto's *creatio ex nihilo* of value as an emulation of God. The inventor of bitcoin, acting like a parasite on Christianity, would be recreating a religious structure after the conclusion of the process of desubstantialisation. This *creatio ex nihilo* of money, in which bitcoins consist, goes along with a cult consisting of a sectarian and anonymous management carried out by miners-priests with a technical-economic charisma. They would also be interpreted as the first trusted investors and the first evangelists of Nakamoto's message, preachers of the 2009 algorithm. Nakamoto's algorithm is said to be the sacred text, written in an encrypted computer language, of this new universalist religion, in that the sectarianism of the miners is combined with the principle of cosmopolitanism. See Benjamin, 2013. For further reflections interpreting capitalism as a religion, see Sloterdijk, Macho, 2016.

<sup>26</sup> According to Simmel, individualism is a typically modern phenomenon. He distinguishes between two forms of individualism, not always opposite one another but coexisting in the same space: the metropolis. See Simmel, 1995: 55. The author maintains that the illuministic-cosmopolitan individualism mainly developed in the XVIII century based upon a common core of dignity and the feeling of belonging to a universal human nature. On the other hand the romantic qualitative individualism that mainly developed in the XIX century highlights the uniqueness of each and every individual. Despite the fact that they are basically modern phenomena, the prevailing of one of the two tendencies can also be found in other philosophical movements. Simmel considers Stoicism as an example of the illuministic-cosmopolitan trend. See also Simmel, 2018: 872.

Dodd, 2016: 122)<sup>27</sup>, that would then be replaced by the community of miners operating from all over the world and making use of highly energy consuming computers and software, able to sustain the complexity of the required calculations<sup>28</sup>.

The hypothesis of such new “communitarianism” (basically universalist) is neither a stretch nor a minor detail, since the communitarian control is one of the *raison d'être* both of cryptocurrency and of the enthusiasm experienced by some of its supporters and theorists<sup>29</sup>. In the ostensible logical contradiction between representing a new form of aristocracy and making use of anonymity and pseudonym is however recognizable the

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<sup>27</sup> In a recent text taking into account this consideration, it is argued that the challenge represented by the use of cryptocurrencies is unethical from a Fichtean point of view, because “bitcoin undermines the (monetary) power of nations and, as such, threatens their ability to provide access to necessary material goods. While offering citizens a means of defending themselves against corrupt regimes, Bitcoin forsakes the general welfare” (Scharding, 2019: 219). At the opposite pole, the emancipation from the state promised by cryptocurrencies represents an interesting factor that is compatible with the crypto-anarchist aspirations expressed back in 1988 in the Crypto-Anarchist Manifesto written by Timothy C. May. Taking inspiration from Simmel, Dodd describes the contemporary emergence of cryptocurrencies in terms of monetary pluralism, as “the end of the era of state monopoly currency” (Dodd, 2015: 437).

<sup>28</sup> In addition to a pronounced cosmopolitanism, bitcoins are characterised by a strong and inherent anti-environmentalism, once more showing how Simmel's reflections on technology as the objectification of nature (Simmel, *The Philosophy of Money*, “The pre-eminence of technology”, 486-490) can also be considered in relation to cryptocurrencies. It has been calculated that more energy is used to run all the computing systems needed to manage cryptography, mine and control bitcoin transactions than the energy needed to sustain Egypt's annual energy demand. Due to the high environmental impact of cryptocurrencies, which is a further expression of the underlying pre-eminence of technology, contemporary *distinct* individuals have recently put forward substantial criticisms, which has caused a collapse of trust in cryptocurrencies and raised the issue of using more eco-friendly ways of managing them. See Soldavini, 2021.

<sup>29</sup> For a discussion on cryptocurrency community, see Caliskan, 2021.

depersonalizing potential of the *Geldkultur* at its finest, the same potential that Simmel had identified when considering that in the metropolitan life no individuality is really significant to exist and be recognised, not even the most prominent or prestigious ones (Simmel, 1995).

To conclude, it seems to me that the term *Geldaristokrat*, that Simmel had already adopted with reference to a few contemporary figures, could be far more suitable to describe certain individuals belonging to the current *Geldkultur*, in spite of the only ostensible inconsistency that is their use of anonymity. After all Simmel, while devoting a great deal of space to the topics discussed in this article, used the expression *Geldaristokrat* only once in the entire *Philosophie des Geldes*, perhaps aware that he was proposing a problematic denomination within his framework and innovative, unusual and hybrid from a conceptual point of view. However, observing the ultimate evolution of the desubstantialisation of money occurred in cryptocurrencies, contingencies have emerged that give greater consistency to this terminological suggestion, re-actualising it and claiming the repositioning of a number of related issues. In the current evolution of the "distinction" originating from this final phase of desubstantialisation, with respect to Simmel's phenomenology, a "species jump" has taken place both from the point of view of the money-object and from that of its link to technology<sup>30</sup>, changes that had already been brilliantly sniffed out by

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<sup>30</sup> This is the reason why the Californian gold-seekers, for example, cannot be considered as 'financial aristocrats': the distinction they sought to achieve, back in 1849, was based on the desire to hoard an economic value expressed in gold, that is a value in which the substantial character of money prevails. According to Simmel, this is a primitivist interpretation of the nature of money (Simmel, 2004 [1900, 1907]: 143) that has been superseded by the development of financial capitalism. On the contrary, those who engage in bitcoin mining today in order to get rich, or those who invest a lot of resources in bitcoin mining seek to acquire an economic value expressed in a completely desubstantialised currency, where technology is one of its fundamental connotations. However, even more similarly to Simmel's presentation of the *Geldaristokrat* in his text, large unearned increments can be acquired through the possession of cryptocurrencies: this recalls other

Simmel himself and that his more contemporary readers should not underestimate.

In light of the historical-economic development of the latest decades, *The Philosophy of Money* is not only a classic text for interpreting typically modern sociological and economic phenomena, but also an essential text for interpreting current events, as it provides the reader with interesting conceptual tools for reading some contemporary trends in a fruitful and interdisciplinary way, whose urgency is in plain sight. More specifically, it seems to me that examining in depth cryptocurrencies through these conceptual tools would be rather worthy of consideration, because they appear to be the area in which the most innovative and perfect form of "distinction of money" resides, a quite important category due to its paradigmatic value, as the theses so far outlined demonstrate. Starting from the question of cryptocurrencies a number of related specific themes unravel, such as the threat of money laundering through cryptocurrencies or their consideration as a high-risk speculative game, themes that have already been extensively addressed in contemporary debate<sup>31</sup>. Bearing indeed in mind some references to Simmel, the cryptocurrency issue, as posed in the present paper in relation to technology and cosmopolitanism, questions the monetary policy prerogatives of the state and draws philosophical attention to the high environmental impact of

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characteristics ascribable to the distinct individual of money, that I call this way precisely to highlight the distance from the real aristocrat. In conclusion, even though in the mere possession of cryptocurrencies it is already possible to glimpse the most typical and often largest contemporary realisation of the unearned increment, it is only in the community of miners that a contemporary re-edition of the aristocratic circles and their traditional minting prerogatives is fully realised. In any case, only the critical observation of the development and use of the various cryptocurrencies in view of these considerations inspired by Simmel's thought, will make it possible to verify the validity of these reflections and their possible conceptual expendability.

<sup>31</sup> About risk and prevention, see Lansky, 2018.

blockchain technology on nature. Moreover, since the issue can be framed as the last step in the process of desubstantialisation of money, it could also represent the last observable episode of the process described by Heidegger in *Holzwege* (1999) as the "reduction of the world to an image". For all the reasons outlined above, the current debate on the legal consideration of cryptocurrencies must include a reference to *The Philosophy of Money*, in order to truly understand, given the connection posed by Simmel between money and life, what is anthropologically at stake before any value judgement. Following ideally Simmel's footsteps and building upon a renewed reflection on his philosophical and sociological legacy, a more general phenomenological observation of the current stage of *Geldkultur* in the year 2022 can be formulated.

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